

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

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W.R. GRACE & CO., ET AL.

DEBTORS

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DISTRICT OF DELAWARE

CH. 11

01-01139 (JKF)

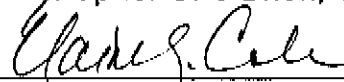
The New York State Department of Taxation and Finance by Elaine Z. Cole, Esq., of counsel, responds to the Debtor's Eighth Omnibus (Substantive) Objection to Claims, as follows:

1. The Debtor objects to two claims filed by the Department, numbers 15165 and 15316.
2. One of the tax assessments on proof of claim number 15316 has been cancelled. Only one remains. It is in the amount of \$114,257.19. This liability resulted from an audit of the Debtors' books and records.
3. With respect to proof of claim number 15165, the assessments are for penalty and interest for a late-filed corporate tax return. The amounts are computed from the amount shown to be due on the return filed by the Debtor. Therefore, the amounts can not possibly differ from the Debtors' books and records, as alleged. The penalty and interest total is \$11,637.

Therefore, the Department's claims should be allowed in the amounts stated above.

February 1, 2005

New York State Department of  
Taxation and Finance  
Christopher C. O'Brien, Counsel



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